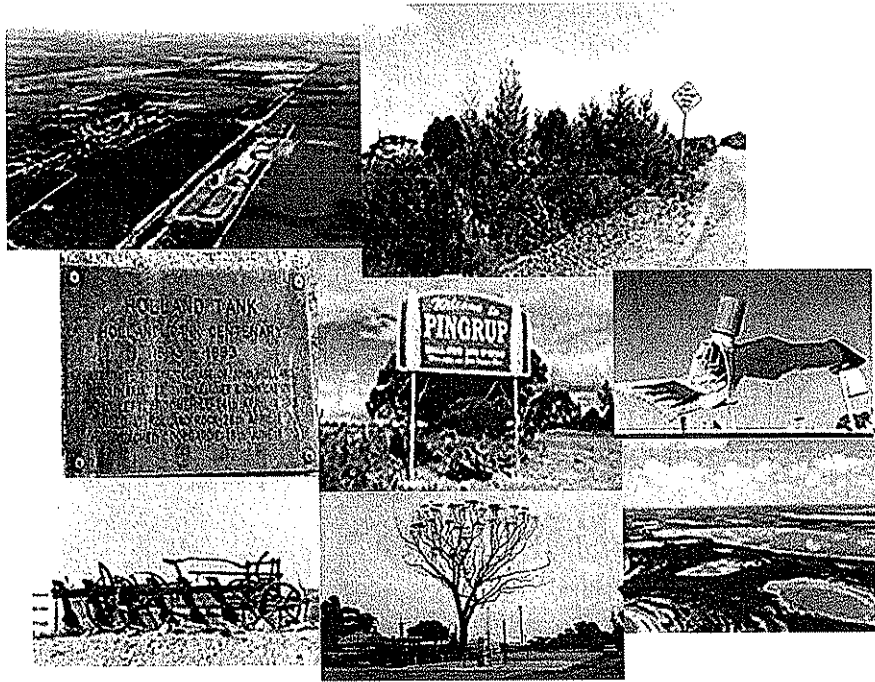


Shire of Kent



2008/2009

ANNUAL REPORT

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1. INTRODUCTION

The Shire of Kent is pleased to present the Annual Report for the 2008/2009 financial year.

This report will provide an overview of the Shire's financial position, achievements attained and an indication of some future directions of Council.

The Annual Report is designed to encourage an understanding of Council's aims, objectives and activities to provide a better environment for residents to live and work in.

2. AUTHORITY AND LEGISLATION

The Shire of Kent is a statutory organisation responsible to the Minister for Local Government, The Hon G M (John) Castrilli MLA. The Shire of Kent operates under the provision of the Local Government Act 1995 (as amended).

SHIRE OFFICE LOCATIONS

Administration Centre: Richmond Street, Nyabing
Postal Address: PO Box 15, NYABING WA 6341
Telephone: (08) 98291051
Facsimile: (08) 98291083
Email: admin@kent.wa.gov.au
Office Hours: 8.30am to 4.30pm, Monday to Friday

Pingrup Library: Sanderson Street, Pingrup (Pingrup Telecentre)
Nyabing Library: Administration Centre, Nyabing

SHIRE STATISTICS

Area	6552sq km	Average Min Temp	4.5(C)
Position	320km SE of Perth	Wool Clip	1,961,000kg
Population	540	Wheat Produced	103,839 tonnes
Length of Roads	224km sealed 1206 gravel	Barley Produced	42,709 tonnes
Rateable Assessments	480	Number of Sheep	347,200
Average Rainfall	383mm	Number of Pigs	700
Average Max Temp	29.9(C)		

(The above agricultural statistics are supplied by the Australian Bureau of Statistics)

SUBURBS AND LOCALITIES

Pingrup; Nyabing

SIGNIFICANT LOCAL EVENTS

Pingrup Races – March each year

FULL COUNCIL MEETING

Meets third Wednesday of each month except for January

TOURIST ATTRACTIONS

Nampup Soak; Hollands Track; Pink Lakes; Holland Rocks; Lake Bryde; Wildflowers

LOCAL INDUSTRIES

Wheat; other grains; sheep; associated support businesses

3. SHIRE PRESIDENTS REPORT



It is with pleasure that I report on the activities of the Shire of Kent for the period 1 July 2008 to 30 June 2009.

Council has continued to endeavour to achieve the goals and expectations to maintain a vibrant rural community.

Firstly I would like to thank Alan Wright, Christie Smith and office staff for all their hard work and efforts during the year and their good advice to me in my role as President. Once again thanks must go to David Long and his works crew who have implemented another successful roadwork's program throughout 2008/09.

Council's finances continue to be well managed, and for 2008/2009 Council finished the year with a \$1,420,108 surplus. The majority of these funds relates to pre-committed works, including Royalties for Regions projects, which are to be carried forward in 2009/2010. The balance will be utilised for ongoing projects and to continue to pay off existing loans, therefore reducing Council's overall debt service.

During 2008/09 Council's main focus was dealing with the issue of structural reform forced upon Council by the Minister for Local Government. I would like to thank all staff members, Councillors and all community members for their input and support throughout this process. The response received from our public meetings was very encouraging and Councillors and Council staff have continued to work very hard in keeping our community from forced amalgamations. As you may be aware Council provided a submission to the Minister by the 30 September 2009, I would like make special mention of the assistance Cr Tuffley provided to staff in preparing this submission, we now await a response from the Minister which we have been advised will be in the new year.

Support from State and Federal Governments with funding programs during 2008/09 have assisted Council immensely with projects for our communities, the following projects were completed:

Regional and Local Community Infrastructure Program:

- Beautification at Pingrup Caravan Park
- Shade Sails at Nyabing Memorial and Burston Street Parks
- New Gazebo at Nyabing Cemetery
- Disabled Toilet at Pingrup Hall
- Part of fencing along Hoblely Street Drain Nyabing

Royalties for Regions:

- Sewerage Pond upgrade Nyabing
- Transfer Station at Pingrup Refuse Site (in progress)
- Part of fencing along Hoblely Street Drain Nyabing
- Completion of Water Harvesting Project in Pingrup (in conjunction with CBH project)

In conclusion, I would like to thank all staff members and all Councillors (past and previous) for their dedication throughout the year. Also thanks goes to Neil Grant-Williams for his support as Deputy Shire President.

CR CATHY CROSBY
SHIRE PRESIDENT

4. CHIEF EXECUTIVE OFFICER'S REPORT



I am pleased to present to the electors of Kent a report on the activities for the Shire of Kent for the year ending 30 June 2009.

Council adopted the budget for 2008/2009, which was for an amount of \$5.35 million with which Council was able to place \$225,000 into reserve accounts for future funding assistance to various proposed projects. Council also utilized funds from the Municipal and Reserve funds to purchase a grader, truck and tipper, and replace the Works Supervisors vehicle. Some smaller equipment that was budgeted, was not purchased during 2008/09 and place in the following budget.

Council's cash flow was assisted with a high percentage of the ratepayers taking advantage of the discount although there was a decline from the previous year. Council finished with a total rate collection for the year of 98.18%. Once again the Loan liability was reduced and the total debt level of \$838,011.75 applies as at the 30 June 2009.

The Roads to Recovery (Auslink) number 2 program continued to provide much needed road funding to Council during the year. The program was utilized with all funds received for the year being spent on the continuation of the Ongerup road widening and upgrade. The Road program also saw \$208,500 of Council and Regional Road Group funds spent on the North Needilup road upgrade, \$280,000 on other roads and \$840,000 on road maintenance.

Appreciation is extended to all the staff in all areas within the Council who worked efficiently to meet the objectives required and for their team approach towards successfully completing most programs provided for in the 2008/09 budget.

A thank you is given to the many dedicated people within our community who have worked on community committees, have been involved as volunteers, and have been a part of the various projects, giving freely of their time and promoting and making the Shire of Kent a progressive district.

The Works Supervisor David Long is once again thanked for his support and with the workforce having completed the majority of the works program during the year. The workforce which remained unchanged during the period, once again have carried out a very good job in all areas, including, parks and gardens, building maintenance, and roadworks.

The year in which the report covers also saw no changes in regard to administration staffing and I would like to thank all the administration staff for their efforts over the year especially my Deputy, Christie Smith.

The structural reform process took a huge amount of time for both staff and Councillors, alike with little results coming from the Ministers office. The Shire of Kent was placed in a category 3 for the purpose of reform, which equates to some form of reform to be taking place.

Finally a note of appreciation to the Shire President Cr Crosby, and all other Councillors who have put in many hours over the year on Council, committees, community, and representation of the electors for the benefit of everyone in the district.

AB Wright
CHIEF EXECUTIVE OFFICER

5. SHIRE OF KENT MEMBERS - 2008/2009



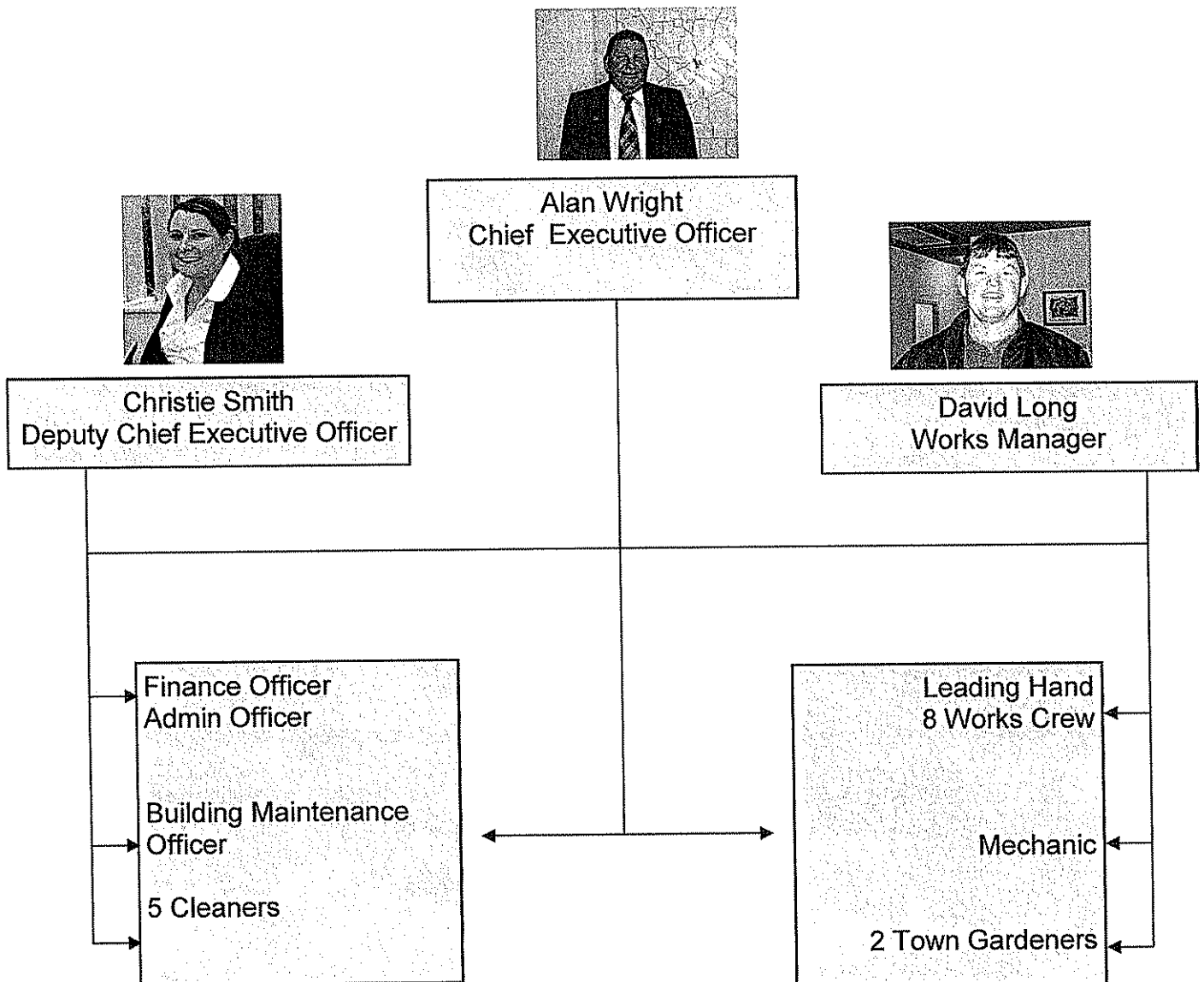
Front Row:
Cr Lucy Skipsey, Cr Cathy Crosby (Shire President), Cr Megan Tuffley

Middle Row:
Cr Yvonne Featherstone, Cr Neil Grant-Williams (Deputy President)

Back Row:
Cr Vanessa Anderson, Cr Garth Addis, Cr Bruce Altham

Councillors	Ward	Telephone	Fax
B M (Bruce) Altham	Holland Rock	9820 1064	9820 1040
C (Cathy) Crosby	Nampup	9829 1061	9829 1151
N M (Neill) Grant-Williams	Holland Rock	9820 6025	9820 6025
Y S (Yvonne) Featherstone	Pingarnup	9820 1078	9820 1003
L (Lucy) Skipsey	Pingarnup	9829 6085	9829 6085
M J (Megan) Tuffley	Nampup	9829 1076	9829 1076
V J (Vanessa) Anderson	Mindarabin	9829 1140	9829 1140
A G (Garth) Addis	Mindarabin	9829 1087	9829 1113

6. ORGANISATIONAL STRUCTURE



7. COUNCIL DOCUMENTS

DOCUMENTS AVAILABLE FOR INSPECTION

There are various documents available for inspection by members of the public. These include:

Council Agendas	Council Minutes
Annual Budgets	Policy Manual
Annual Financial Statements	Local Laws
Forward Planning Budget	Delegations Register
Town Planning Scheme	Rates Assessment Book
Electoral Roll	Strategic Plan
Customer Service Charter	Sewerage Asset Management Plan
Code of Conduct – Members and Staff	Freedom of Information Statement

In addition to the above documents, Council provides information through the following outlets as a service to the public:

- ⇒ Shire Notes – Nyabing News and Pingrup Post
- ⇒ Community Telephone and Information Directory
- ⇒ Bushfire Information Booklet
- ⇒ Leaflet Drops to Ratepayers

8. FREEDOM OF INFORMATION

The Shire of Kent welcomes any enquiries for any information held by Council.

If information cannot be accessed by less formal means, a freedom of information request can be made to:

**The Freedom of Information Officer
Shire of Kent
PO Box 15
NYABING WA 6341**

Council's commitment to open government has meant that this financial year, there has been no need for members of the public to formally apply for information under the Freedom of Information Act.

9. STRATEGIC PLAN

The Shire of Kent has adopted a Mission Statement and a series of objectives to support the Strategic Planning goals for the next 5 years:

To excel at providing fair, efficient and effective services and facilities which enhance the quality of life for all residents.

District Viability

To provide leadership in the development and attraction of facilities, services, and business to the district to ensure its long-term viability.

Quality Service

To ensure services and facilities are maintained or enhanced and delivered in an equitable and effective manner.

Financial Viability

To ensure all funds are used efficiently to ensure long-term financial viability of the Council.

Productive and Effective Workforce

To optimise and develop the Shires human resources to maximise their productive potential.

Accountability

To provide an open and accountable level of local government for the district including honest in dealing with all people and exercising initiative in responding to community needs.

ACHIEVING OUR MISSION AND OBJECTIVES

Council's mission and objectives will be achieved through:

Representative Government

By the people of Kent contributing to decisions about the way their community works and develops, better decisions will result through encouraging the people of Kent to contribute to informed discussion on issues of local and regional importance.

Meeting Obligations

Council is obligated by law, to carry out the statutory responsibilities of local government, and Council will fulfill these responsibilities efficiently and with regard to the particular needs of the people of Kent.

Community Advocacy

As Council is only one level of government, this Council will support and advocate the views and needs of the people of Kent to other levels of government, so as to provide additional and improved facilities for the use of the community.

Apart from being committed to maintaining and improving existing services and facilities, the Shire of Kent faces many new challenges.

CHALLENGES

Given the current environment within local government regarding amalgamation issues, national competition policy, structural reform, and requirements of Council and staff under the Local Government Act, the Council needs to retain its own identity.

Some important factors that require consideration are:

- ⇒ acceptance of change
- ⇒ maintaining appropriate funding levels
- ⇒ raising the Council profile
- ⇒ maintaining financial and time resources of Council and staff
- ⇒ developing community pride and a sense of community help
- ⇒ maintaining our population level and working to increase the district population

10. NATIONAL COMPETITION POLICY LEGISLATION

The Shire of Kent is classified as a Category 1 local government under current National Competition Policy. National Competition Policy is designed to enhance the efficiency and effectiveness of public sector agencies, and lead to more efficient use of economic resources.

Local governments' are required to apply the principal of competitive neutrality to all business activities generating user-pays income in excess of \$200,000.00. The principal being that government businesses should not enjoy a competitive advantage or disadvantage, simply as a result of their public sector ownership.

The Shire of Kent does not operate any activities where the income from fees and charges exceed \$200,000.00 and there is no indication that Council will become involved in any significant business activities during the next financial reporting period.

Legislation Review

All local governments are required periodically to assess which of their local laws might impact on competition and conduct a review of each to determine how any restrictive practices might be overcome.

The Shire of Kent did not undertake any review of Local Laws during the 2008/2009 financial year.

Statutory Reform

During the 2008/2009 financial year, Council held several public meetings and conducted surveys within the Shire in relation to Structural Reform. Council provided a submission to the Minister for Local Government prior to 30 September 2009 advising that Council were against forced amalgamations. Nevertheless, the Shire of Kent is committed to the principals of structural reform under National Competition Policy.

Future reform issues will be addressed in the forthcoming years.

11. STATE RECORDS ACT 2000

The Shire of Kent is in compliance with the requirements of the State Records Act 2000 including the adoption of a Record Keeping Plan.

A new records management system was implemented by 31 December 2004 as noted in the Shire of Kent Recordkeeping Plan and further upgrades will be as required.

Records are forwarded as required to State Archives on a regular basis.

12. 2008/2009 DISABILITY SERVICES REPORT

It is a requirement under section 29(2) of the Disability Services Act 1993 to report on the following outcomes in Council's approach to assisting disabled people.

The Western Australia Disability Services Act requires all Local Governments to develop and implement a Disability Access and Inclusion Plan (DAIP) to ensure that people with disabilities have equal access to its facilities and services. Council implemented a DAIP at the Ordinary Meeting of Council held 18 July 2007.

Existing services are adapted to ensure they meet the needs of people with disabilities.

Council continued its process in 2008/2009 to ensure opportunities were created for people with disabilities, their families and carers. Council was receptive to any feedback received and acted immediately on any complaints to ensure people with disabilities could live within our community without unnecessary obstacles.

Access to buildings and facilities is improved

Disabled/pram ramps have been installed on all paved footpaths in Nyabing and Pingrup. Disabled access ramps are also available to provide access to the Pingrup Pavilion for recreational facilities. Toilet and shower facilities for disabled people have been installed at the Pingrup Caravan Park.

Council have received funding from the Department of Local Government & Regional Development through the "Community Facilities" Program and have also budgeted an additional \$25,000 to build a new public toilet building in Nyabing which will include a disabled toilet. These facilities will be a huge upgrade on the current public toilet building we have as they are quite hidden being behind the Public Hall and access is rather difficult.

Construction of these public conveniences were completed in May 2009.

A ramp has been put in place at the entrance to the Council Chambers to make the entrance accessible for people in wheelchairs.

Information about services is provided in formats which meet the communication requirements of people with disabilities

With the community of the Shire of Kent having a comparatively small population, it was possible to advise the few people affected with disability in our community by other communication channels. (e.g. verbal). Council is mindful of the need to keep outgoing information in an easy to understand manner for all its constituents.

Advice and services are delivered by staff who are aware of and understand the needs of people with disabilities

Staff at the Shire of Kent are dynamic to resource awareness information when the need arises. When Training courses in relation to disability awareness are offered regionally, staff will attend these courses where possible.

Opportunities are provided for people with disabilities to participate in public consultations, grievance mechanisms and decision making processes

Access to public consultation including public meetings, launches, elections and Council meetings are available with access facilities at the Nyabing Pavilion, Council Chambers, Nyabing Hall and a disabled ramp and toilet at the Pingrup Pavilion.

SHIRE OF KENT
FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2009

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Shire of Kent
23/24 Richmond Street
NYABING WA 6341

SHIRE OF KENT
FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2009

LOCAL GOVERNMENT ACT 1995
LOCAL GOVERNMENT (FINANCIAL MANAGEMENT) REGULATIONS 1996

STATEMENT BY CHIEF EXECUTIVE OFFICER

The attached financial report of the Shire of Kent being the annual financial report and other information for the financial year ended 30th June 2009 are in my opinion properly drawn up to present fairly the financial position of the Shire of Kent at 30th June 2009 and the results of the operations for the financial year then ended in accordance with the Australian Accounting Standards and comply with the provisions of the Local Government Act 1995 and regulations under that Act.

Signed on the eighth day of October 2009.



Alan Wright
Chief Executive Officer

SHIRE OF KENT
INCOME STATEMENT
BY NATURE OR TYPE

FOR THE YEAR ENDED 30TH JUNE 2009

	NOTE	2009 \$	2009 Budget \$	2008 \$
Revenues From Ordinary Activities				
Rates	20	1,456,725	1,466,169	1,351,674
Operating Grants, Subsidies and Contributions	26	1,137,785	990,167	940,375
Service Charges	22	9,375	8,625	8,760
Fees and Charges	25	268,220	260,725	275,369
Interest Earnings	2(a)	110,971	111,500	135,989
Other Revenue		61,841	103,690	58,047
		<u>3,044,917</u>	<u>2,940,876</u>	<u>2,770,214</u>
Expenses From Ordinary Activities				
Employee Costs		(1,142,052)	(1,002,630)	(994,754)
Materials and Contracts		(209,432)	(425,271)	(319,515)
Utilities		(84,857)	(92,730)	(98,614)
Depreciation	2(a)	(1,135,573)	(954,400)	(1,112,134)
Interest Expenses	2(a)	(55,850)	(56,726)	(60,067)
Insurance		(101,439)	(131,145)	(110,081)
Other Expenditure		(275,761)	(592,105)	(47,454)
		<u>(3,004,964)</u>	<u>(3,255,007)</u>	<u>(2,742,619)</u>
		39,953	(314,131)	27,595
Grants and Subsidies - non-operating	26	1,474,568	712,482	649,741
Profit on Asset Disposals	17	223,687	132,653	15,658
Loss on Asset Disposals	17	(7,686)	(5,451)	(889)
Net Result		<u>1,730,522</u>	<u>525,553</u>	<u>692,105</u>

This statement is to be read in conjunction with the accompanying notes.

SHIRE OF KENT
INCOME STATEMENT

BY PROGRAM

FOR THE YEAR ENDED 30TH JUNE 2009

	NOTE	2009 \$	2009 Budget \$	2008 \$
Revenues From Ordinary Activities	2(a)			
Governance		0	700	0
General Purpose Funding		1,952,815	1,887,669	1,779,106
Law, Order, Public Safety		109,453	110,510	43,934
Education and Welfare		316	500	421
Community Amenities		487,517	87,070	88,318
Recreation and Culture		159,809	24,115	24,533
Transport		1,418,960	1,225,080	1,219,430
Economic Services		290,202	216,030	64,746
Other Property and Services		324,100	234,337	215,125
		<u>4,743,172</u>	<u>3,786,011</u>	<u>3,435,613</u>
Expenses From Ordinary Activities	2(a)			
Excluding Borrowing Costs Expense				
Governance		(167,844)	(211,820)	(166,876)
General Purpose Funding		(63,829)	(74,100)	(62,599)
Law, Order, Public Safety		(68,482)	(92,600)	(69,629)
Health		(9,723)	(10,975)	(6,507)
Education and Welfare		(14,511)	(18,085)	(13,139)
Community Amenities		(167,274)	(244,195)	(103,236)
Recreation & Culture		(421,755)	(510,921)	(453,923)
Transport		(1,732,483)	(1,592,280)	(1,449,770)
Economic Services		(133,640)	(189,388)	(140,202)
Other Property and Services		(177,259)	(259,368)	(217,560)
		<u>(2,956,800)</u>	<u>(3,203,732)</u>	<u>(2,683,441)</u>
Borrowing Costs Expense	2(a)			
Law, Order, Public Safety		0	0	(149)
Community Amenities		(3,217)	(3,230)	(3,295)
Other Property and Services		(52,633)	(53,496)	(56,623)
		<u>(55,850)</u>	<u>(56,726)</u>	<u>(60,067)</u>
Net Result		<u><u>1,730,522</u></u>	<u><u>525,553</u></u>	<u><u>692,105</u></u>

This statement is to be read in conjunction with the accompanying notes.

SHIRE OF KENT
BALANCE SHEET

FOR THE YEAR ENDED 30TH JUNE 2009

	NOTE	2009 \$	2008 \$
Current Assets			
Cash and Cash Equivalents	3	2,523,236	1,836,108
Trade and Other Receivables	4	371,050	81,347
Inventories	5	21,561	40,301
Total Current Assets		<u>2,915,847</u>	<u>1,957,756</u>
Non-Current Assets			
Other Receivables	4	1,942	1,271
Property, Plant and Equipment	6	4,458,256	3,968,631
Infrastructure	7	29,537,274	29,389,282
Total Non-Current Assets		<u>33,997,472</u>	<u>33,359,184</u>
Total Assets		<u><u>36,913,319</u></u>	<u><u>35,316,940</u></u>
Current Liabilities			
Trade and Other Payables	8	134,892	258,524
Current Portion of Long Term Borrowings	9	67,703	63,635
Provisions	10	199,025	143,406
Total Current Liabilities		<u>401,620</u>	<u>465,565</u>
Non-Current Liabilities			
Long Term Borrowings	9	770,310	838,013
Provisions	10	13,038	15,533
Total Non-Current Liabilities		<u>783,348</u>	<u>853,546</u>
Total Liabilities		<u><u>1,184,968</u></u>	<u><u>1,319,111</u></u>
Net Assets		<u><u>35,728,351</u></u>	<u><u>33,997,829</u></u>
Equity			
Retained Surplus		23,228,879	21,577,936
Reserves - Cash Backed	11	1,391,836	1,312,257
Reserves - Asset Revaluation	12	11,107,636	11,107,636
Total Equity		<u><u>35,728,351</u></u>	<u><u>33,997,829</u></u>

This statement is to be read in conjunction with the accompanying notes.

SHIRE OF KENT
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30TH JUNE 2009

	NOTE	2009 \$	2008 \$
Retained Surplus			
Balance as at 1 July 2008		21,577,936	21,565,924
Net Result		1,730,522	692,105
Transfer from/(to) Reserves		(79,579)	(680,093)
Balance as at 30 June 2009		<u>23,228,879</u>	<u>21,577,936</u>
Reserves - Cash Backed			
Balance as at 1 July 2008		1,312,257	632,164
Amount Transferred (to)/from Retained Surplus		79,579	680,093
Balance as at 30 June 2009	11	<u>1,391,836</u>	<u>1,312,257</u>
Reserves - Asset Revaluation			
Balance as at 1 July 2008		11,107,636	11,107,636
Revaluation Increment		0	0
Revaluation Decrement		0	0
Balance as at 30 June 2009	12	<u>11,107,636</u>	<u>11,107,636</u>
Total Equity		<u>35,728,351</u>	<u>33,997,829</u>

This statement is to be read in conjunction with the accompanying notes.

SHIRE OF KENT
CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2009

	NOTE	2009 \$	2009 Budget \$	2008 \$
Cash Flows From Operating Activities				
Receipts				
Rates		1,441,134	1,464,729	1,351,291
Grants and Subsidies - operating		1,137,785	986,167	806,278
Contributions, Reimbursements & Donations		0	4,000	134,097
Service Charges		9,375	8,625	8,760
Fees and Charges		(28,840)	301,105	270,021
Interest Earnings		108,856	111,500	135,989
Goods and Services Tax		133,551	0	45,644
Other		63,958	103,690	58,047
		<u>2,865,819</u>	<u>2,979,816</u>	<u>2,810,127</u>
Payments				
Employee Costs		(1,083,108)	(1,002,630)	(967,746)
Materials and Contracts		(319,265)	(298,507)	(229,907)
Utilities (gas, electricity, water, etc)		(84,857)	(92,730)	(98,614)
Insurance		(101,439)	(131,145)	(110,081)
Interest		(56,726)	(56,726)	(60,701)
Goods and Services Tax		(111,277)	0	(56,954)
Other		(275,761)	(592,105)	(47,454)
		<u>(2,032,433)</u>	<u>(2,173,843)</u>	<u>(1,571,457)</u>
Net Cash Provided By Operating Activities	13(b)	<u>833,386</u>	<u>805,973</u>	<u>1,238,670</u>
Cash Flows from Investing Activities				
Payments for Purchase of Property, Plant & Equipment		(990,195)	(1,131,672)	(393,903)
Payments for Construction of Infrastructure		(906,298)	(1,034,198)	(1,116,898)
Grants/Contributions for the Development of Assets		1,474,568	712,482	649,741
Proceeds from Sale of Property				
Plant & Equipment	17	183,636	161,500	76,836
Land & Buildings	17	155,667	80,000	0
Net Cash Used in Investing Activities		<u>(82,622)</u>	<u>(1,211,888)</u>	<u>(784,224)</u>
Cash Flows from Financing Activities				
Repayment of Debentures	19	(63,636)	(63,636)	(64,234)
Net Cash Provided By (Used In) Financing Activities		<u>(63,636)</u>	<u>(63,636)</u>	<u>(64,234)</u>
Net Increase (Decrease) in Cash Held		687,128	(469,551)	390,212
Cash at Beginning of Year		1,836,108	1,655,875	1,445,896
Cash and Cash Equivalents at the End of Year	13(a)	<u>2,523,236</u>	<u>1,186,324</u>	<u>1,836,108</u>

This statement is to be read in conjunction with the accompanying notes.

SHIRE OF KENT
RATE SETTING STATEMENT
FOR THE YEAR ENDED 30 JUNE 2009

	NOTE	2009 \$	2009 Budget \$
Revenues			
Governance		0	700
General Purpose Funding		496,090	421,500
Law, Order, Public Safety		109,453	110,510
Education and Welfare		316	500
Community Amenities		487,517	87,070
Recreation and Culture		159,809	24,115
Transport		1,418,960	1,225,080
Economic Services		290,202	216,030
Other Property and Services		324,100	234,337
		<u>3,286,447</u>	<u>2,319,842</u>
Expenses			
Governance		(167,844)	(211,820)
General Purpose Funding		(63,829)	(74,100)
Law, Order, Public Safety		(68,482)	(92,600)
Health		(9,723)	(10,975)
Education and Welfare		(14,511)	(18,085)
Community Amenities		(170,491)	(247,425)
Recreation & Culture		(421,755)	(510,921)
Transport		(1,732,483)	(1,592,280)
Economic Services		(133,640)	(189,388)
Other Property and Services		(229,892)	(312,864)
		<u>(3,012,650)</u>	<u>(3,260,458)</u>
Adjustments for Cash Budget Requirements:			
Non-Cash Expenditure and Revenue			
(Profit)/Loss on Asset Disposals	17	(216,001)	(127,202)
Movement in Accrued Interest		(877)	0
Movement in Deferred Pensioner Rates (non current)		(671)	0
Movement in Accrued Salaries and Wages		5,820	0
Movement in Employee Benefit Provisions		53,124	0
Depreciation on Assets	2(a)	1,135,573	954,400
Capital Expenditure and Revenue			
Purchase Land and Buildings		(218,748)	(272,010)
Purchase Infrastructure Assets - Roads		(902,144)	(1,022,198)
Purchase Infrastructure Assets - Parks		(4,154)	(12,000)
Purchase Plant and Equipment		(719,115)	(771,700)
Purchase Furniture and Equipment		(52,332)	(87,962)
Proceeds from Disposal of Assets	17	339,303	241,500
Repayment of Debentures	19(a)	(63,636)	(63,636)
Transfers to Reserves (Restricted Assets)	11	(585,797)	(400,400)
Transfers from Reserves (Restricted Assets)	11	506,218	608,470
ADD Estimated Surplus/(Deficit) July 1 B/Fwd		413,023	427,185
LESS Estimated Surplus/(Deficit) June 30 C/Fwd		1,420,108	0
Amount Req'd to be Raised from Rates	20	<u><u>(1,456,725)</u></u>	<u><u>(1,466,169)</u></u>

This statement is to be read in conjunction with the accompanying notes.

SHIRE OF KENT

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2009

1. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies which have been adopted in the preparation of this financial report are:

(a) Basis of Preparation

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards (as they apply to local governments and not-for-profit entities), other mandatory professional reporting requirements and the Local Government Act 1995 (as amended) and accompanying regulations (as amended).

The report has also been prepared on the accrual basis under the convention of historical cost accounting as modified by the accounting treatment relating to the revaluation of financial assets and liabilities at fair value through profit and loss and certain classes of non-current assets.

Critical Accounting Estimates

The preparation of a financial report in conformity with Australian Accounting Standards requires management to make judgements, estimates and assumptions that effect the application of policies and reported amounts of assets and liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances; the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

(b) The Local Government Reporting Entity

All Funds through which the Council controls resources to carry on its functions have been included in the financial statements forming part of this financial report.

In the process of reporting on the local government as a single unit, all transactions and balances between those funds (for example, loans and transfers between Funds) have been eliminated.

All monies held in the Trust Fund are excluded from the financial statements, but a separate statement of those monies appears at Note 15 to this financial report.

(c) Goods and Services Tax

In accordance with recommended practice, revenues, expenses and assets capitalised are stated net of any GST recoverable. Receivables and payables in the Statement of Financial Position are stated inclusive of applicable GST.

(d) Cash and Cash Equivalents

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purpose of the Cash Flow Statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts. Bank overdrafts are included as short term borrowings in current liabilities on the balance sheet.

SHIRE OF KENT

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 30TH JUNE 2009

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(e) Trade and Other Receivables

Trade receivables, which generally have 30-90 day terms, are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less an allowance for any uncollectible amounts.

Collectibility of trade receivables is reviewed on an ongoing basis. Debts that are known to be uncollectible are written off when identified. An allowance for doubtful debts is raised when there is objective evidence that they will not be collectible.

(f) Inventories

General

Inventories are valued at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Inventories held from trading are classified as current even if not expected to be realised in the next 12 months.

(g) Fixed Assets

Initial Recognition

All assets are initially recognised at cost. Cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition. For assets acquired at no cost or for nominal consideration, cost is determined as fair value at the date of acquisition. The cost of non-current assets constructed by the Municipality includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overhead.

Revaluation

Certain asset classes may be revalued on a regular basis such that the carrying values are not materially different from fair value. For infrastructure and other asset classes where no active market exists, fair value is determined to be the current replacement cost of an asset less, where applicable, accumulated depreciation calculated on a basis to reflect the already consumed or expired future economic benefits.

Those assets carried at a revalued amount, being their fair value at the date of revaluation less any subsequent accumulated depreciation and accumulated impairment losses, are to be revalued with sufficient regularity to ensure the carrying amount does not differ significantly from that determined using fair value at reporting date.

Land under Roads

In Western Australia, all land under roads is Crown Land, the responsibility for managing which, is vested in the local government.

Effective as at 1 July 2008, Council elected not to recognise any value for land under roads acquired on or before 30 June 2008. This accords with the treatment available in Australian Accounting Standard AASB1051 - Land Under Roads and the fact Local Government (Financial Management) Regulation 16(a)(i) prohibits local governments from recognising such land as an asset.

In respect of land under roads acquired on or after 1 July 2008, as detailed above, Local Government (Financial Management) Regulation 16(a)(i) prohibits local governments from recognising such land as an asset.

Whilst such treatment is inconsistent with the requirements of AASB 1051, Local Government (Financial Management) Regulation 4(2) provides, in the event of such an inconsistency, the Local Government (Financial Management) Regulations prevail. Consequently, any land under roads acquired on or after 1 July 2008 is not included as an asset of the Council.

SHIRE OF KENT

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2009

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Depreciation of Non-Current Assets

All non-current assets having a limited useful life are systematically depreciated over their useful lives in a manner which reflects the consumption of the future economic benefits embodied in those assets.

Depreciation is recognised on a straight-line basis, using rates which are reviewed each reporting period. Major depreciation periods are:

Buildings	30 to 50 years
Furniture and Equipment	4 to 10 years
Plant and Equipment	5 to 15 years
Sealed roads and streets	
clearing and earthworks	not depreciated
construction/road base	50 years
original surfacing and major re-surfacing	
- bituminous seals	20 years
- asphalt surfaces	25 years
Gravel roads	
clearing and earthworks	not depreciated
construction/road base	50 years
gravel sheet	12 years
Formed roads (unsealed)	
clearing and earthworks	not depreciated
construction/road base	50 years
Footpaths - concrete & brick paving	40 years
Sewerage piping	100 years
Water supply piping & drainage systems	75 years

(i) Investments and Other Financial Assets

Classification

Council classifies its investments in the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and, in the case of assets classified as held-to-maturity, re-evaluates this designation at each reporting date.

(i) Financial assets at fair value through profit and loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are classified as held for trading unless they are designated as hedges. Assets in this category are classified as current assets.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the balance sheet date which are classified as non-current assets. Loans and receivables are included in trade and other receivables in the balance sheet.

SHIRE OF KENT

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 30TH JUNE 2009

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(i) Investments and Other Financial Assets (continued)

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Council's management has the positive intention and ability to hold to maturity. If Council were to sell other than an insignificant amount of held-to-maturity financial assets, the whole category would be tainted and reclassified as available-for-sale. Held-to-maturity financial assets are included in non-current assets, except for those with maturities less than 12 months from the reporting date, which are classified as current assets.

(iv) Available-for-sale financial assets

Available-for-sale financial assets, comprising principally marketable equity securities, are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date. Investments are designated as available-for-sale if they do not have fixed maturities and fixed or determinable payments and management intends to hold them for the medium to long term.

Recognition and derecognition

Regular purchases and sales of financial assets are recognised on trade-date – the date on which Council commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the income statement. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and Council has transferred substantially all the risks and rewards of ownership.

When securities classified as available-for-sale are sold, the accumulated fair value adjustments recognised in equity are included in the income statement as gains and losses from investment securities.

Subsequent measurement

Loans and receivables and held-to-maturity investments are carried at amortised cost using the effective interest method.

Available-for-sale financial assets and financial assets at fair value through profit and loss are subsequently carried at fair value. Gains or losses arising from changes in the fair value of the financial assets at fair value through profit or loss category are presented in the income statement within other income or other expenses in the period in which they arise. Dividend income from financial assets at fair value through profit and loss is recognised in the income statement as part of revenue from continuing operations when Council's right to receive payments is established. Changes in the fair value of other monetary and non-monetary securities classified as available-for-sale are recognised in equity.

Impairment

Council assesses at each balance date whether there is objective evidence that a financial asset or group of financial assets is impaired. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of a security below its cost is considered as an indicator that the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss- measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in the income statement. Impairment losses recognised in the income statement on equity instruments classified as available-for-sale are not reversed through the income statement.

SHIRE OF KENT
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2009

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(j) Estimation of Fair Value

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date.

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. Council uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models making maximum use of market inputs and relying as little as possible on entity-specific inputs.

Quoted market prices or dealer quotes for similar instruments are used for long-term debt instruments held. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments.

The nominal value less estimated credit adjustments of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Council for similar financial instruments.

(k) Impairment

In accordance with Australian Accounting Standards the Council's assets, other than inventories, are assessed at each reporting date to determine whether there is any indication they may be impaired.

Where such an indication exists, an estimate of the recoverable amount of the asset is made in accordance with AASB 136 'Impairment of Assets' and appropriate adjustments made.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the Income Statement.

For non-cash generating assets such as roads, drains, public buildings and the like, value in use is represented by the depreciated replacement cost of the asset.

(l) Trade and Other Payables

Trade and other payables are carried at amortised cost. They represent liabilities for goods and services provided to the Municipality prior to the end of the financial year that are unpaid and arise when the Municipality becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 days of recognition.

SHIRE OF KENT
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2009

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(m) Employee Benefits

The provisions for employee benefits relates to amounts expected to be paid for long service leave, annual leave, wages and salaries and are calculated as follows:

Wages, Salaries, Annual Leave and Long Service Leave (Short-term benefits)

The provision for employees' benefits to wages, salaries, annual leave and long service leave expected to be settled within 12 months represents the amount that the municipality has a present obligation to pay resulting from employees' services provided to balance date. The provision has been calculated at nominal amounts based on remuneration rates the Council expects to pay and includes related on-costs.

Long Service Leave (Long-term benefits)

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match as closely as possible, the estimated future cash outflows. Where Council does not have the unconditional right to defer settlement beyond 12 months, the liability is recognised as a current liability.

(n) Interest-bearing Loans and Borrowings

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Fees paid on the establishment of loan facilities that are yield related are included as part of the carrying amount of the loans and borrowings.

Borrowings are classified as current liabilities unless the Council has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

Borrowing Costs

Borrowing costs are recognised as an expense when incurred except where they are directly attributable to the acquisition, construction or production of a qualifying asset. Where this is the case, they are capitalised as part of the cost of the particular asset.

(o) Provisions

Provisions are recognised when: The council has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

SHIRE OF KENT

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2009

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(p) Leases

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset, but not legal ownership, are transferred to the company, are classified as finance leases. Finance leases are capitalised recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual value. Leased assets are amortised over their estimated useful lives. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Lease payments under operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

(q) Rates, Grants, Donations and Other Contributions

Rates, grants, donations and other contributions are recognised as revenues when the local government obtains control over the assets comprising the contributions. Control over assets acquired from rates is obtained at the commencement of the rating period or, where earlier, upon receipt of the rates.

Where contributions recognised as revenues during the reporting period were obtained on the conditions were undischarged as at the reporting date, the nature of and amounts pertaining to those undischarged conditions are disclosed in Note 2(c). That note also discloses the amount of contributions recognised as revenues in a previous reporting period which were obtained in respect of the local government's operation for the current reporting period.

(r) Superannuation

The Shire of Kent contributes to the Local Government Superannuation Scheme and the Occupational Superannuation Fund. Both funds are defined contribution schemes.

Contributions to defined contribution plans are recognised as an expense as they become payable. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

(s) Current and Non-Current Classification

In the determination of whether an asset or liability is current or non-current, consideration is given to the time when each asset or liability is expected to be settled. The asset or liability is classified as current if it is expected to be settled within the next 12 months, being the Council's operational cycle. In the case of liabilities where Council does not have the unconditional right to defer settlement beyond 12 months, such as vested long service leave, the liability is classified as current even if not expected to be settled within the next 12 months. Inventories held for trading are classified as current even if not expected to be realised in the next 12 months except for land held for resale where it is held as non-current based on Council's intentions to release for sale.

(t) Rounding Off Figures

All figures shown in this annual financial report, other than a rate in the dollar, are rounded to the nearest dollar.

(u) Comparative Figures

Where required, comparative figures have been adjusted to conform with changes in presentation for the current financial year.

(v) Budget Comparative Figures

Unless otherwise stated, the budget comparative figures shown in this annual financial report relate to the original budget estimate for the relevant item of disclosure.

SHIRE OF KENT
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2009

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(w) **New Accounting Standards and Interpretations**

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective have not been adopted by the Council for the annual reporting period ending 30 June 2009

Council's assessment of these new standards and interpretations is set out below:

Title and Topic	Issued	Applicable (*)	Impact
(i) AASB 8 Operating Segments and AASB 2007-3 Amendments to Australian Accounting Standards arising from AASB 8	February 2007	1 January 2009	Nil – The Standard is not applicable to not-for-profit entities.
(ii) Revised AASB 123 Borrowing Costs (includes AASB 2009-1) and AASB 2007-6 Amendments to Australian Accounting Standards arising from AASB 1, AASB 101, AASB 107, AASB 111, AASB 116 & AASB 138 and Interpretations 1 & 12]	June 2007 and April 2009	1 January 2009	Nil – There have been two revisions to the Standard. The first removed the option to expense all borrowing costs and required the capitalisation of all borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset. The second (AASB2009-1) reinstated the choice to either expense or capitalise in the case of not-for-profit entities. There will be no impact on the financial report of the Council as it already capitalises borrowing costs relating to qualifying assets and will continue to do so.
(iii) Revised AASB 101 Presentation of Financial Statements and AASB 2007-8 Amendments to Australian Accounting Standards arising from AASB 101 and AASB 2007-10 Further Amendments to Australian Accounting Standards arising from AASB 101	September 2007 and December 2007	1 January 2009	Nil – The revised Standard requires the presentation of a Statement of comprehensive income and makes changes to the Statement of changes in equity, but will not affect any of the amounts recognised in the financial statements. If Council has made a prior period adjustment or has reclassified items in the financial statements, it is likely it will need to disclose a third balance sheet (Statement of Financial Position), being as at the beginning of the comparative period.

SHIRE OF KENT

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2009

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(w) New Accounting Standards and Interpretations (Continued)

Title and Topic	Issued	Applicable (*)	Impact
(v) AASB 2008-5 Amendments to Australian Accounting Standards arising from the Annual Improvements Project	July 2008	1 January 2009	Nil – The revisions are part of the AASBs annual improvement project to help ensure consistency with presentation, recognition and measurement criteria of IFRSs.
AASB 2008-6 Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project	July 2008	1 July 2009	The revisions embodied in these standards relate largely to terminology or editorial comments and will have a minimal effect on the accounting practices of the Council. It is not anticipated the more significant changes will have any effect on the financial report as the topics are not relevant to the operations of the Council.
(v) AASB 2008-11 Amendments to Australian Accounting Standard – Business Considerations Among Not-for-Profit Entities	November 2008	1 July 2009	Nil – Whilst this standard has the effect of applying AASB 3 Business Combinations to the Not-for-Profit sector, specific provisions are provided in respect of local government. These specific provisions are very similar to the previous requirements of AAS 27.
(vi) AASB 2008-1 Amendments to Australian Accounting Standard – Share-Based Payments: Vesting Conditions and Cancellations	February 2008	1 January 2009	Nil – None of these amendments will have any effect on the financial report as none of the topics are relevant to the operations of the Council.
AASB 2008-2 Amendments to Australian Accounting Standards Puttable Financial Instruments and Obligations Arising on Liquidation	March 2008	1 January 2009	

SHIRE OF KENT
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2009

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(w) New Accounting Standards and Interpretations (Continued)	Issued	Applicable (*)	Impact
Title and Topic			
(vi) (Continued)	March 2008	1 January 2009	Nil – None of these amendments will have any effect on the financial report as none of the topics are relevant to the operations of the Council.
AASB 2008-3 Amendments to Australian Accounting Standards arising from AASB 3 and AASB 127			
AASB 2007-7 Amendments to Australian Accounting Standards – Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate	July 2008	1 January 2009	
AASB 2008-8 Amendments to Australian Accounting Standards – Eligible Hedged Items	August 2008	1 July 2009	
AASB 2008-9 Amendments to AASB 1049 for Consistency with AASB 101	September 2008	1 January 2009	
AASB 2008-13 Amendments to Australian Accounting Standards arising from AASB Interpretation 17 – Distributions of Non-Cash Assets to Owners	December 2008	1 July 2009	
Interpretation 1 – Changes in Existing, Decommissioning, Restoration and Similar Liabilities	June 2008	1 January 2009	

SHIRE OF KENT

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2009

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(w) New Accounting Standards and Interpretations (Continued)

Title and Topic	Issued	Applicable (*)	Impact
(vi) (Continued)			
Interpretation 12 – Service Concession Arrangements	June 2007	1 January 2009	Nil – None of these amendments will have any effect on the financial report as none of the topics are relevant to the operations of the Council.
Interpretation 15 – Agreements for the Construction of Real Estate	August 2008	1 January 2009	
Interpretation 16 – Hedges of a Net Investment in a Foreign Operation	August 2008	1 October 2008	
Interpretation 17 – Distributions of Non-Cash Assets to Owners	December 2008	1 July 2009	
Interpretation 18 – Transfers of Assets from Customers	March 2009	Ending 1 July 2009	

Notes:

(*) - Applicable to reporting periods commencing on or after the given date.

SHIRE OF KENT
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2009

2. REVENUES AND EXPENSES	2009	2008
	\$	\$
(a) Result from Ordinary Activities		
The Result from Ordinary Activities includes:		
(i) Charging as an Expense:		
Auditors Remuneration		
- Audit	12,870	11,220
- Other Services	3,685	2,475
Depreciation		
Buildings	80,366	89,889
Furniture and Equipment	34,716	25,118
Plant and Equipment	262,185	266,914
Roads	747,079	718,005
Parks and Reserves	11,227	12,208
	<u>1,135,573</u>	<u>1,112,134</u>
Interest Expenses		
Debentures (<i>refer Note 19(a)</i>)	<u>55,850</u>	<u>60,067</u>
	<u>55,850</u>	<u>60,067</u>
(ii) Crediting as Revenue:		
	2009	2009
	\$	Budget
		\$
Interest Earnings		
Investments		
- Reserve Funds	55,797	35,000
- Other Funds	53,059	75,000
Other Interest Revenue (<i>refer note 24</i>)	2,115	1,500
	<u>110,971</u>	<u>111,500</u>
		<u>135,989</u>

SHIRE OF KENT
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2009

2. REVENUES AND EXPENSES (Continued)

(b) Statement of Objective

The Shire of Kent is dedicated to providing high quality services to the community through the various service orientated programs which it has established.

Governance

Administration and operation of facilities and services to members of council; other costs that relate to the tasks of assisting elected members and ratepayers on matters which do not concern specific council services.

General Purpose Funding

Rates, general purpose government grants and interest revenue.

Law, Order, Public Safety

Supervision of various by-laws, fire prevention, emergency services and animal control.

Health

Food quality and pest control, immunisation services, operation of child health clinic.

Education and Welfare

Operation of Pre-school facilities, assistance to playgroups and other voluntary services.

Community Amenities

Rubbish collection services, operation of tips, administration of the town planning scheme, maintenance of cemeteries and townsite sewerage schemes.

Recreation and Culture

Maintenance of halls, recreation centres and various reserves; operation of library.

Transport

Construction and maintenance of streets, roads; cleaning and lighting of streets, depot maintenance.

Economic Services

The regulation and provision of tourism, area promotion, building control, saleyards, noxious weeds, vermin control and standpipes.

Other Property & Services

Private works operations, plant repairs and operations costs.

SHIRE OF KENT

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2009

2. REVENUES AND EXPENSES (Continued)

	2009	2008
	\$	\$
(c) Conditions Over Contributions		
Grants recognised as revenues in a previous reporting period which were not expended at the close of the previous reporting period (ie opening balances).		
Grants for Crime Prevention (law, order, public safety)	0	6200
Grants for Zero Waste Project (community amenities)	44,277	0
Grants for Roads to Recovery (transport)	0	280,610
Grants for Black Spot (transport)	0	30,352
Grants for Dept of Water - Holland Tank (economic services)	0	37,000
Grants for District Employment Project (other property services)	0	1,156
	<u>44,277</u>	<u>355,318</u>
Add:		
New grants which were recognised as revenues during the reporting period and which had not yet been fully expended by the contributor.		
Grants for Pingrup Transfer Station RFR (community amenities)	150,000	0
Grants for Zero Waste Project (community amenities)	15,000	50,000
Grants for Sewerage Upgrade RFR (community amenities)	220,000	0
Grants for Pingrup Disabled Toilet RLCIP (community amenities)	20,000	0
Grants for Shade Sail-Pingrup RLCIP (recreation and culture)	15,000	0
Grants for Shade Sail-Nyabing RLCIP (recreation and culture)	15,000	0
Grants for TV & FM Radio RFR (recreation and culture)	96,470	0
Grants for Roads to Recovery (transport)	0	429,527
Grants for Regional Road Group (transport)	0	132,244
Grants for Black Spot (transport)	0	53,323
Grants for Fence Hobley St Drain RLCIP (transport)	20,000	0
Grants for Pingrup Caravan Park RLCIP (economic services)	15,000	0
Grants for Water Harvesting RFR (economic services)	120,000	0
Less:		
Grants which were recognised as revenues in a previous reporting period and which were expended in the current reporting period in the manner specified by the contributor.		
Grants for Crime Prevention (law, order, public safety)	0	(6,200)
Grants for Zero Waste Project (community amenities)	(46,755)	(5,723)
Grants for Sewerage Upgrade RFR (community amenities)	(28,862)	0
Grants for Roads to Recovery (transport)	0	(710,137)
Grants for Regional Road Group (transport)	0	(132,244)
Grants for Black Spot (transport)	0	(83,675)
Grants for Fence Hobley St Drain RLCIP (transport)	(7,515)	0
Grants for Dept of Water - Holland Tank (economic services)	0	(37,000)
Grants for District Employment Project (other property services)	0	(1,156)
Closing balances of unexpended grants	<u>647,615</u>	<u>44,277</u>
Comprises:		
Grants for Pingrup Transfer Station RFR (community amenities)	150,000	0
Grants for Zero Waste Project (community amenities)	12,522	44,277
Grants for Sewerage Upgrade RFR (community amenities)	191,138	0
Grants for Pingrup Disabled Toilet RLCIP (community amenities)	20,000	0
Grants for Shade Sail-Pingrup RLCIP (recreation and culture)	15,000	0
Grants for Shade Sail-Nyabing RLCIP (recreation and culture)	15,000	0
Grants for TV & FM Radio RFR (recreation and culture)	96,470	0
Grants for Fence Hobley St Drain RLCIP (transport)	12,485	0
Grants for Pingrup Caravan Park RLCIP (economic services)	15,000	0
Grants for Water Harvesting RFR (economic services)	120,000	0
	<u>647,615</u>	<u>44,277</u>

SHIRE OF KENT

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2009

	2009	2008
	\$	\$
3. CASH AND CASH EQUIVALENTS		
Unrestricted	483,785	479,574
Restricted	2,039,451	1,356,534
	<u>2,523,236</u>	<u>1,836,108</u>
The following restrictions have been imposed by regulations or other externally imposed requirements:		
Employee Entitlements Reserve	144,830	114,833
Plant Reserve	182,327	430,811
Building Reserve	282,192	140,890
Nyabing Recreation Reserve	27,637	22,287
Pingrup Recreation Reserve	30,716	26,600
Cemetery Reserve	12,760	11,747
Water Supply Reserve	21,813	20,730
Sewerage Reserve	112,513	97,424
Computer Equipment Reserve	30,675	63,370
Administration Vehicle Reserve	48,577	37,556
Refuse Disposal Facilities Reserve	80,978	67,455
Road Reserve	416,818	278,554
Unspent Grants	647,615	44,277
	<u>2,039,451</u>	<u>1,356,534</u>
4. TRADE AND OTHER RECEIVABLES		
Current		
Rates Outstanding	18,759	3,839
Sundry Debtors	351,813	54,756
GST Receivable	478	22,752
	<u>371,050</u>	<u>81,347</u>
Non Current		
Rates Deferred	1,942	1,271
	<u>1,942</u>	<u>1,271</u>
5. INVENTORIES		
Current		
Fuel and Materials	21,561	40,301
	<u>21,561</u>	<u>40,301</u>

SHIRE OF KENT

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2009

	2009	2008
	\$	\$
6. PROPERTY, PLANT AND EQUIPMENT		
Land and Buildings - Cost	3,700,111	3,540,652
Less Accumulated Depreciation	<u>(1,201,500)</u>	<u>(1,163,007)</u>
	<u>2,498,611</u>	<u>2,377,645</u>
Furniture and Equipment - Cost	527,120	474,788
Less Accumulated Depreciation	<u>(430,590)</u>	<u>(395,874)</u>
	<u>96,530</u>	<u>78,914</u>
Plant and Equipment - Cost	3,641,902	3,310,909
Less Accumulated Depreciation	<u>(1,778,787)</u>	<u>(1,798,837)</u>
	<u>1,863,115</u>	<u>1,512,072</u>
	<u><u>4,458,256</u></u>	<u><u>3,968,631</u></u>

Movements in Carrying Amounts

The following represents the movement in the carrying amounts of each class of property, plant and equipment between the beginning and the end of the current financial year.

	Land & Buildings \$	Furniture & Equipment \$	Plant & Equipment \$	Total \$
Balance as at 1 July 2008	2,377,645	78,914	1,512,072	3,968,631
Additions	218,748	52,332	719,115	990,195
(Disposals)	(17,416)	0	(105,887)	(123,303)
Revaluation - Increments	0	0	0	0
- (Decrements)	0	0	0	0
Impairment (losses)/ reversals	0	0	0	0
Depreciation (Expense)	(80,366)	(34,716)	(262,185)	(377,267)
Other Movements	0	0	0	0
Balance as at 30 June 2009	<u><u>2,498,611</u></u>	<u><u>96,530</u></u>	<u><u>1,863,115</u></u>	<u><u>4,458,256</u></u>

SHIRE OF KENT

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2009

	2009	2008
	\$	\$
7. INFRASTRUCTURE		
Roads - cost	42,864,107	41,961,963
Less Accumulated Depreciation	<u>(13,557,337)</u>	<u>(12,810,258)</u>
	<u>29,306,770</u>	<u>29,151,705</u>
Parks & Ovals - cost	457,587	453,433
Less Accumulated Depreciation	<u>(227,083)</u>	<u>(215,856)</u>
	<u>230,504</u>	<u>237,577</u>
	<u>29,537,274</u>	<u>29,389,282</u>

Council have adopted a policy of re-valuing roads with sufficient regularity to ensure the carrying amount of each road asset is fairly stated at reporting date. This policy also accords with AASB.

Movements in Carrying Amounts

Movement in the carrying amounts of each class of infrastructure between the beginning and the end of the current financial year.

	Roads	Parks and Ovals	Total
	\$	\$	\$
Balance as at 1 July 2008	29,151,705	237,577	29,389,282
Additions	902,144	4,154	906,298
(Disposals)	0	0	0
Revaluation - Increments	0	0	0
- (Decrements)	0	0	0
Impairment (losses)/ reversals	0	0	0
Depreciation (Expense)	(747,079)	(11,227)	(758,306)
Other Movements	0	0	0
Balance as at 30 June 2009	<u>29,306,770</u>	<u>230,504</u>	<u>29,537,274</u>

SHIRE OF KENT

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2009

	2009	2008
	\$	\$
8. TRADE AND OTHER PAYABLES		
Current		
Sundry Creditors	89,592	219,304
PAYG Liability	14,308	13,172
Accrued Interest on Debentures	16,909	17,785
Accrued Salaries and Wages	14,083	8,263
	<u>134,892</u>	<u>258,524</u>
9. LONG-TERM BORROWINGS		
Current		
Secured by Floating Charge		
Debentures	67,703	63,635
	<u>67,703</u>	<u>63,635</u>
Non-Current		
Secured by Floating Charge		
Debentures	770,310	838,013
	<u>770,310</u>	<u>838,013</u>
Additional detail on borrowings is provided in Note 19.		
10. PROVISIONS		
Current		
Provision for Annual Leave	88,685	60,146
Provision for Long Service Leave	110,340	83,260
	<u>199,025</u>	<u>143,406</u>
Non-Current		
Provision for Long Service Leave	13,038	15,533
	<u>13,038</u>	<u>15,533</u>

SHIRE OF KENT

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2009

	2009 \$	2009 Budget \$	2008 \$
11. RESERVES - CASH BACKED			
(a) Employee Entitlements Reserve			
Opening Balance	114,833	114,833	89,065
Amount Set Aside / Transfer to Reserve	24,000	24,000	20,000
Transfer of Interest to Reserve	5,997	6,000	5,768
Amount Used / Transfer from Reserve	0	0	0
	<u>144,830</u>	<u>144,833</u>	<u>114,833</u>
(b) Plant Reserve			
Opening Balance	430,811	430,811	149,154
Amount Set Aside / Transfer to Reserve	90,000	0	272,000
Transfer of Interest to Reserve	13,516	3,100	9,657
Amount Used / Transfer from Reserve	(352,000)	(352,000)	0
	<u>182,327</u>	<u>81,911</u>	<u>430,811</u>
(c) Land & Buildings Reserve			
Opening Balance	140,890	140,890	132,322
Amount Set Aside / Transfer to Reserve	155,600	80,000	0
Transfer of Interest to Reserve	7,358	9,000	8,568
Amount Used / Transfer from Reserve	(21,656)	(39,000)	0
	<u>282,192</u>	<u>190,890</u>	<u>140,890</u>
(d) Nyabing Recreation Reserve			
Opening Balance	22,287	22,287	22,014
Amount Set Aside / Transfer to Reserve	6,000	6,000	6,000
Transfer of Interest to Reserve	1,165	1,300	1,255
Amount Used / Reimburse Contribution	0	0	0
Amount Used / Transfer from Reserve	(1,815)	(2,000)	(6,982)
	<u>27,637</u>	<u>27,587</u>	<u>22,287</u>
(e) Pingrup Recreation Reserve			
Opening Balance	26,600	26,600	18,082
Amount Set Aside / Transfer to Reserve	6,000	6,000	9,000
Transfer of Interest to Reserve	1,390	1,300	1,272
Amount Used / Transfer from Reserve	(3,274)	(2,000)	(1,754)
	<u>30,716</u>	<u>31,900</u>	<u>26,600</u>
(f) Cemetery Reserve			
Opening Balance	11,747	11,747	10,469
Amount Set Aside / Transfer to Reserve	400	400	600
Transfer of Interest to Reserve	613	700	678
Amount Used / Transfer from Reserve	0	0	0
	<u>12,760</u>	<u>12,847</u>	<u>11,747</u>
(g) Water Supply Reserve			
Opening Balance	20,730	20,730	19,469
Amount Set Aside / Transfer to Reserve	0	0	0
Transfer of Interest to Reserve	1,083	1,300	1,261
Amount Used / Transfer from Reserve	0	0	0
	<u>21,813</u>	<u>22,030</u>	<u>20,730</u>

SHIRE OF KENT

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2009

	2009 \$	2009 Budget \$	2008 \$
11. RESERVES - CASH BACKED (Continued)			
(h) Sewerage Reserve			
Opening Balance	97,424	97,424	88,072
Amount Set Aside / Transfer to Reserve	10,000	10,000	10,000
Transfer of Interest to Reserve	5,089	4,000	5,552
Amount Used / Transfer from Reserve	0	(60,000)	(6,200)
	112,513	51,424	97,424
(i) Computer Equipment Reserve			
Opening Balance	63,370	63,370	59,517
Amount Set Aside / Transfer to Reserve	0	0	0
Transfer of Interest to Reserve	3,308	1,000	3,853
Amount Used / Transfer from Reserve	(36,003)	(62,000)	0
	30,675	2,370	63,370
(j) Administration Vehicles Reserve			
Opening Balance	37,556	37,556	24,000
Amount Set Aside / Transfer to Reserve	28,000	28,000	12,000
Transfer of Interest to Reserve	1,021	1,000	1,556
Amount Used / Transfer from Reserve	(18,000)	(18,000)	0
	48,577	48,556	37,556
(k) Refuse Disposal Facilities Reserve			
Opening Balance	67,455	67,455	20,000
Amount Set Aside / Transfer to Reserve	10,000	10,000	46,160
Transfer of Interest to Reserve	3,523	1,300	1,295
Amount Used / Transfer from Reserve	0	0	0
	80,978	78,755	67,455
(l) Road Reserve			
Opening Balance	278,554	278,554	0
Amount Set Aside / Transfer to Reserve	200,000	201,000	278,431
Transfer of Interest to Reserve	11,734	5,000	123
Amount Used / Transfer from Reserve	(73,470)	(73,470)	0
	416,818	411,084	278,554
Total Cash Backed Reserves	1,391,836	1,104,187	1,312,257

All of the cash backed reserve accounts are supported by money held in financial institutions and match the amount shown as restricted cash in Note 3 to this financial report.

SHIRE OF KENT

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2009

11. RESERVES - CASH BACKED (Continued)

In accordance with council resolutions in relation to each reserve account, the purpose for which the reserves are set aside are as follows:

Employee Entitlements Reserve

This reserve is to be used to fund employee leave requirements.

Plant Reserve

This reserve is for the purchase of major plant and equipment.

Land & Buildings Reserve

Funds set aside for the Construction and/or Capital Maintenance of Building Infrastructure and for land acquisition and development.

Nyabing Recreation Reserve

This reserve is for the upgrading of Sporting facilities in Nyabing.

Pingrup Recreation Reserve

This reserve is for the upgrading of Sporting facilities in Pingrup.

Cemetery Reserve

This reserve is for upgrading the Nyabing and Pingrup cemeteries.

Water Supply Reserve

This reserve is for providing water services to rural areas of the Shire.

Sewerage Reserve

Used for the upgrading and/or major maintenance of townsite sewerage schemes.

Computer Equipment Reserve

This reserve is for upgrading the main administration computer system and software.

Administration Vehicles Reserve

This reserve is for future vehicle changeovers for the Chief Executive Officer and Deputy Chief Executive Officer.

Refuse Disposal Facilities Reserve

This reserve is for a transfer disposal station to be placed at the Pingrup Rubbish Site.

Road Reserve

This reserve is for future upgrade of roads

The Employee Entitlements, Plant, Land & Buildings, Nyabing Recreation, Pingrup Recreation, Cemetery, Water Supply, Sewerage, Computer Equipment, Administration Vehicles and Refuse Disposal Facilities and Road Reserves are not expected to be used within a set period as further transfers to the reserve accounts are expected as funds are utilised.

SHIRE OF KENT

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2009

12. RESERVES - ASSET REVALUATION	2009 \$	2008 \$
Asset revaluation reserves have arisen on revaluation of the following classes of assets:		
(a) Roads		
Balance as at 1 July 2008	11,107,636	11,107,636
Revaluation Increment	0	0
Revaluation Decrement	0	0
Balance as at 30 June 2009	<u>11,107,636</u>	<u>11,107,636</u>
Total Asset Revaluation Reserves	<u><u>11,107,636</u></u>	<u><u>11,107,636</u></u>

13. NOTES TO THE STATEMENT OF CASH FLOWS

(a) Reconciliation of Cash

For the purposes of the cash flow statement, cash includes cash on hand and in banks and investments, net of outstanding bank overdrafts. Cash at the end of the reporting period is reconciled to the related items in the Balance Sheet as follows:

	2009 \$	2009 Budget \$	2008 \$
Cash and Cash Equivalents	<u>2,523,236</u>	<u>1,186,324</u>	<u>1,836,108</u>
 (b) Reconciliation of Net Cash Provided By Operating Activities to Net Result			
Net Result	1,730,522	525,553	692,105
Depreciation	1,135,573	954,400	1,112,134
(Increase)/Decrease in Receivables	(290,375)	(127,202)	(17,041)
(Profit)/Loss on Sale of Asset	(216,001)	38,940	(14,769)
(Increase)/Decrease in Inventories	18,740	10,000	(17,520)
Increase/(Decrease) in Payables	(123,629)	116,764	108,568
Increase/(Decrease) in Employee Provisions	53,124	0	24,934
Grants/Contributions for the Development of Assets	<u>(1,474,568)</u>	<u>(712,482)</u>	<u>(649,741)</u>
Net Cash from Operating Activities	<u><u>833,386</u></u>	<u><u>805,973</u></u>	<u><u>1,238,670</u></u>

SHIRE OF KENT

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2009

13. NOTES TO THE STATEMENT OF CASH FLOWS (Continued)

	2009	2008
	\$	\$
(c) Undrawn Borrowing Facilities		
Credit Standby Arrangements		
Bank Overdraft limit	100,000	100,000
Bank Overdraft at Balance Date	0	0
Credit Card limit	8,000	8,000
Credit Card Balance at Balance Date	0	0
Total Amount of Credit Unused	<u>108,000</u>	<u>108,000</u>
(d) Loan Facilities		
Loan Facilities - Current	67,703	63,635
Loan Facilities - Non-Current	<u>770,310</u>	<u>838,013</u>
Total Facilities in Use at Balance Date	<u>838,013</u>	<u>901,648</u>
Unused Loan Facilities at Balance Date	<u>0</u>	<u>0</u>

14. CAPITAL AND LEASING COMMITMENTS

Operating Lease Commitments

Council has no operating lease commitments as at 30 June 2009.

Capital Commitments

Council has no Capital Commitments as at 30 June 2009

SHIRE OF KENT

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2009

15. TRUST FUNDS

Funds held at balance date over which the Municipality has no control and which are not included in the financial statements are as follows:

Detail	Balance 1-Jul-08 \$	Amounts Received (\$)	Amounts Paid \$	Balance 30-Jun-09 \$
Housing Bonds	0	750	(600)	150
Bond (Caravan Park Keys)	150	0	0	150
Pingrup Bushfire Brigade	0	0	0	0
Logo Number Plates	0	0	0	0
Overpayments	0	1,103	(1,103)	0
Employee Superannuation	0	0	0	0
Licencing	3,087	0	(3,087)	0
Nomination Deposits	0	400	(400)	0
BCITF Levy	55	78	0	133
	<u>3,292</u>	<u>2,331</u>	<u>(5,190)</u>	<u>433</u>

16. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

	2009 \$	2008 \$
Governance	1,877	1,877
General Purpose Funding	20,701	5,110
Law, Order, Public Safety	104,081	78,277
Health	6,414	1,189
Education and Welfare	0	0
Community Amenities	287,867	298,454
Recreation and Culture	963,139	641,537
Transport	32,030,378	31,146,974
Economic Services	306,842	218,348
Other Property and Services	2,707,755	2,415,200
Unallocated	484,265	509,974
	<u>36,913,319</u>	<u>35,316,940</u>

SHIRE OF KENT

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2009

17. DISPOSALS OF ASSETS - 2008/09 FINANCIAL YEAR

The following assets were disposed of during the year.

	Net Book Value		Sale Price		Profit (Loss)	
	Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$
Land & Buildings						
103 & 104 Bourke St	6,178	6,918	74,067	80,000	67,889	73,082
73 Reid Street	11,238	0	81,600	0	70,362	0
Plant & Equipment						
Truck & Tipper KT044	69,564	70,429	85,000	85,000	15,436	14,571
Grader KT029	0	0	70,000	45,000	70,000	45,000
Truck Building Mtce KT008	11,438	11,690	7,727	8,500	(3,711)	(3,190)
Works Manager 50KT	24,885	25,261	20,909	23,000	(3,975)	(2,261)
	123,303	114,298	339,303	241,500	216,001	127,202

Summary

Profit on Asset Disposals
Loss on Asset Disposals

223,687
(7,686)
216,001

SHIRE OF KENT

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2009

	2009	2008	2007
18. FINANCIAL RATIOS			
Current Ratio	2.18	1.71	1.78
Untied Cash to Trade Creditors Ratio	5.39	2.19	4.04
Debt Ratio	0.03	0.04	0.04
Debt Service Ratio	0.04	0.05	0.05
Gross Debt to Revenue Ratio	0.26	0.32	0.32
Gross Debt to Economically Realisable Assets	0.11	0.15	0.17
Rate Coverage Ratio	0.31	0.39	0.39
Outstanding Rates Ratio	0.012	0.003	0.003

The above rates are calculated as follows:

Current Ratio equals
$$\frac{\text{Current assets minus restricted current assets}}{\text{Current liabilities minus liabilities associated with restricted assets}}$$

Untied Cash to Trade Creditors Ratio
$$\frac{\text{Untied cash}}{\text{Unpaid trade creditors}}$$

Debt Ratio equals
$$\frac{\text{Total liabilities}}{\text{Total assets}}$$

Debt Service Ratio equals
$$\frac{\text{Debt Service Cost (Principal \& Interest)}}{\text{Available operating revenue}}$$

Gross Debt to Revenue Ratio
$$\frac{\text{Gross debt}}{\text{Total revenue}}$$

Gross Debt to Economically Realisable Assets Ratio
$$\frac{\text{Gross debt}}{\text{Economically realisable assets}}$$

Rate Coverage Ratio equals
$$\frac{\text{Net rate revenue}}{\text{Operating revenue}}$$

Outstanding Rates Ratio equals
$$\frac{\text{Rates outstanding}}{\text{Rates collectable}}$$

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2009

19. INFORMATION ON BORROWINGS

(a) Debenture Repayments

Particulars	Principal 1-Jul-08 \$	New Loans \$	Principal Repayments		Principal 30-Jun-09		Interest Repayments	
			Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$
Community Amenities Loan 54, Nyabing Effluent	36,553	0	1,098	1,098	35,455	35,455	3,217	3,230
Other Property and Services Loan 86, New House for CEO	31,324	0	15,101	15,101	16,223	16,223	1,895	2,016
Loan 88, Nyabing Store	60,397	0	3,052	3,052	57,345	57,345	3,934	3,949
Loan 90, Principal Housing, Pingrup	108,489	0	19,538	19,538	88,951	88,951	5,361	5,370
Loan 91, Various Duplexes	664,885	0	24,847	24,847	640,039	640,038	41,443	42,161
	901,648	0	63,636	63,636	838,013	838,012	55,850	56,726

All other loan repayments were financed by general purpose income.

(b) New Debentures - 2008/09

No new debentures were issued during the year ending 30 June 2009.

(c) Unspent Debentures

No portion of debentures was unspent as at 30 June 2009.

(d) Overdraft

Council established an overdraft facility of \$100,000 in 2007 to assist with short term liquidity requirements. The balance of the bank overdraft at 1 July 2008 and 30 June 2009 was \$Nil.

SHIRE OF KENT

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2009

20. RATING INFORMATION - 2008/09 FINANCIAL YEAR

RATE TYPE	Rate in \$ (cents)	Number of Properties	Rateable Value \$	2009 Actual Revenue Rate \$	2009 Actual Interim Rates \$	2009 Actual Back Rates \$	2009 Actual Total Revenue \$	2009 Budget Revenue Rate \$	2009 Budget Interim Rate \$	2009 Budget Back Rate \$	2009 Budget Total Revenue \$
General Rates											
GRV - Residential	9.6425	59	240,188	23,158	0	0	23,158	23,821	0	0	23,821
GRV - Commercial	9.6425	13	122,824	11,845	0	0	11,845	12,179	0	0	12,179
UV - Rural	1.4791	382	99,158,600	1,464,906	(459)	0	1,464,447	1,473,169	0	0	1,473,169
Mining	1.4791	18	156,385	570	0	0	570	2,000	0	0	2,000
Sub-Totals		472	99,677,997	1,500,479	(459)	0	1,500,020	1,511,169	0	0	1,511,169
Minimum Rates											
GRV - Residential	278.30	9	11,750	2,504	0	0	2,504	2,500	0	0	2,500
GRV - Commercial	278.30	9	6,682	2,505	0	0	2,505	2,500	0	0	2,500
UV - Rural	278.30	11	122,600	3,061	0	0	3,061	3,000	0	0	3,000
Mining	278.30	16	117,847	4,453	0	0	4,453	4,000	0	0	4,000
Sub-Totals		45	258,879	12,523	0	0	12,523	12,000	0	0	12,000
Discounts							1,512,543				1,523,169
Totals							(55,818)				(57,000)
							1,456,725				1,466,169

SHIRE OF KENT

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2009

21. HEALTH RATE - 2008/09 FINANCIAL YEAR

	Rate in \$	Basis of Rate	Rateable Value \$	Rate Revenue \$	Budget Rate Revenue \$	Applied to Costs \$	Budget Applied to Costs \$
Sewerage Rate							
- Nyabing Residential	0.345	GRV	146,316	9,250	9,108	9,250	9,108
- Nyabing Commerical	0.345	GRV	62,686	4,480	4,098	4,480	4,098
- Nyabing Vacant	170.00	GRV	600	510	510	510	510
- Pingrup Residential	0.398	GRV	82,056	5,500	4,844	5,500	4,844
- Pingrup Commerical	0.398	GRV	60,060	5,040	4,562	5,040	4,562
- Pingrup Vacant	170.00	GRV	125	340	170	340	170
- 1st Fixture	158.90	GRV	0	0	0	0	0
- Additional Fixtures	228.80	GRV	0	0	3,608	0	3,608
				25,120	26,900	25,120	26,900

The Health Rate is for the provision of sewerage. The charge is applicable to all owners within a designated area surrounding the townsite.

The proceeds of the health rate are to be applied in full to the costs of maintenance and operation.

22. SERVICE CHARGES - 2008/09 FINANCIAL YEAR

	Amount of Charge \$	Revenue Raised \$	Budget Revenue \$	Applied to Service Costs \$	Budget Applied to Costs \$
Television - Nyabing	125	5,875	5,625	5,875	5,625
Television - Pingrup	125	3,500	3,000	3,500	3,000
		9,375	8,625	9,375	8,625

The service charge is for the provision of television re-broadcasting. The charge is applicable to all owners occupiers within a designated area surrounding the townsite.

The proceeds of the service charge are applied in full to the costs of maintenance and operation. A major upgrade of equipment for both Nyabing and Pingrup is being planned within the 2009/10 financial year.

SHIRE OF KENT

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2009

23. DISCOUNTS, INCENTIVES, CONCESSIONS, & WRITE-OFFS - 2008/09 FINANCIAL YEAR

	Type	Disc %	Total Cost/ Value \$	Budget Cost/ Value \$
General Rates	Discount	6	55,818	57,000
Minimum Rate	Discount	6	0	0
			55,818	57,000
Photocopy Charge	Waiver		0	0
Rate Assessment	Write-Off		0	0

A discount on rates is granted to all who pay their rates in full within 35 days of the date of service appearing on the rate notice.

Photocopy Charges are waived for certain community groups such as the local newsletter, sporting groups and community organisations. Council considers its support of these groups necessary for the overall benefit of the community.

24. INTEREST CHARGES AND INSTALMENTS - 2008/09 FINANCIAL YEAR

	Interest Rate %	Admin. Charge \$	Revenue \$	Budgeted Revenue \$
Interest on Unpaid Rates	9		2,115	1,500
Interest on Deferred Rates	9		0	0
Charges on Instalment Plan		5	950	1,000
			3,065	2,500

Ratepayers had the option of paying rates in two or four equal instalments, the two instalments were due on 3 October 2008 and 23 January 2009. Administration charges applied for the final instalment. The four instalments were due on 3 October 2008, 28 November 2008, 23 January 2009 and 20 March 2009. Administration charges applied for the final three instalments.

25. FEES & CHARGES	2009 \$	2008 \$
Governance	0	0
General Purpose Funding	19,344	16,420
Law, Order, Public Safety	24,043	27,945
Community Amenities	43,844	37,420
Recreation & Culture	10,568	5,191
Economic Services	43,486	49,167
Other Property & Services	126,935	139,226
	<u>268,220</u>	<u>275,369</u>

There were no changes during the year to the amount of the fees or charges detailed in the original budget.

SHIRE OF KENT

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2009

26. GRANT REVENUE	2009 \$	2008 \$
By Nature and Type:		
Operating Grants, Subsidies and Contributions	1,137,785	940,375
Non-Operating Grants, Subsidies and Contributions	1,474,568	649,741
	2,612,353	1,590,116
Grants and subsidies are included as operating revenues in the operating statement in the following programs:		
General Purpose Funding	367,448	274,187
Law, Order, Public Safety	85,410	22,554
Education and Welfare	316	421
Community Amenities	443,274	0
Recreation & Culture	139,857	0
Transport	1,333,524	1,163,907
Economic Services	238,058	0
Other Property & Services	4,466	129,047
	2,612,353	1,590,116

27. COUNCILLORS' REMUNERATION	2009 \$	2009 Budget \$	2008 \$
The following fees, expenses and allowances were paid to council members and/or the president.			
Meeting Fees	39,134	40,000	38,495
President's Allowance	5,000	5,000	5,000
Travelling Expenses	7,757	15,000	4,432
Telecommunications Allowance	5,112	3,800	3,680
	57,003	63,800	51,607

28. EMPLOYEE NUMBERS	2009	2008
The number of full-time equivalent Employees at balance date	23	22

29. EMPLOYEES REMUNERATION

There are no employees in the Shire of Kent with a annual salary of \$100,000 or more.

30. ECONOMIC DEPENDENCY

A significant portion of revenue is received by way of grants from the State and Federal Government. The total of grant revenue from government sources is disclosed in Note 26.

31. MAJOR LAND TRANSACTIONS

Council did not participate in any major land transactions during the 2008/09 financial year.

32. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS

Council did not participate in any trading undertakings or major trading undertakings during the 2008/09 financial year.

SHIRE OF KENT

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2009

33. FINANCIAL RISK MANAGEMENT

Council's activities expose it to a variety of financial risks including price risk, credit risk, liquidity risk and interest rate risk. The Council's overall risk management focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Council.

Council does not engage in transactions expressed in foreign currencies and is therefore not subject to foreign currency risk.

Financial risk management is carried out by the finance area under policies approved by the Council.

The Council held the following financial instruments at balance date:

	Carrying Value		Fair Value	
	2009 \$	2008 \$	2009 \$	2008 \$
Financial Assets				
Cash and cash equivalents	2,523,236	1,836,108	2,523,236	1,836,108
Receivables	372,992	82,618	372,992	82,618
	<u>2,896,228</u>	<u>1,918,726</u>	<u>2,896,228</u>	<u>1,918,726</u>
Financial Liabilities				
Payables	134,892	258,524	134,892	258,524
Borrowings	838,013	901,648	761,686	816,708
	<u>972,905</u>	<u>1,160,172</u>	<u>896,578</u>	<u>1,075,232</u>

Fair value is determined as follows:

- Cash and Cash Equivalents, Receivables, Payables – estimated to the carrying value which approximates net market value.
- Borrowings – estimated future cash flows discounted by the current market interest rates applicable to assets and liabilities with similar risk profiles.

SHIRE OF KENT

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2009

33. FINANCIAL RISK MANAGEMENT (Continued)

(a) Cash and Cash Equivalents

Council's objective is to maximise its return on cash whilst maintaining an adequate level of liquidity and preserving capital. The finance area manages the cash in accordance with Council's investment policy which is subject to review by Council.

Cash is also subject to interest rate risk – the risk that movements in interest rates could affect returns.

Another risk associated with cash is credit risk – the risk that a contracting entity will not complete its obligations under a financial instrument resulting in a financial loss to Council.

Council currently feels there is not a risk with cash investments with the bank due to recent guarantees by the Federal Government.

	30-Jun-09	30-Jun-08
	\$	\$
Impact of a 1% (*) movement in interest rates on cash and cash equivalents:		
- Equity	25,232	18,361
- Income Statement	25,232	18,361

Notes:

(*) Sensitivity percentages based on management's expectation of future possible market movements.

Recent market volatility has seen large market movements for certain types of investments.

(+) Maximum impact.

SHIRE OF KENT

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2009

33. FINANCIAL RISK MANAGEMENT (Continued)

(b) Receivables

Council's major receivables comprise rates and annual charges and user charges and fees. The major risk associated with these receivables is credit risk – the risk that the debts may not be repaid. Council manages this risk by monitoring outstanding debt and employing debt recovery policies. It also encourages ratepayers to pay rates by the due date through incentives.

Credit risk on rates and annual charges is minimised by the ability of Council to recover these debts as a secured charge over the land – that is, the land can be sold to recover the debt. Council is also able to charge interest on overdue rates and annual charges at higher than market rates, which further encourages payment.

The level of outstanding receivables is reported to Council monthly and benchmarks are set and monitored for acceptable collection performance.

Council makes suitable provision for doubtful receivables as required and carries out credit checks on most non-rate debtors.

There are no material receivables that have been subject to a re-negotiation of repayment terms.

The profile of the Council's credit risk at balance date was:

	30-Jun-09	30-Jun-08
Percentage of Rates and Annual Charges		
- Current	0.00%	0.00%
- Overdue	100.00%	100.00%
Percentage of Other Receivables		
- Current	95.42%	97.62%
- Overdue	4.58%	2.38%

SHIRE OF KENT

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2009

33. FINANCIAL RISK MANAGEMENT (Continued)

(c) Payables
Borrowings

Payables and borrowings are both subject to liquidity risk – that is the risk that insufficient funds may be on hand to meet payment obligations as and when they fall due. Council manages this risk by monitoring its cash flow requirements and liquidity levels and maintaining an adequate cash buffer. Payment terms can be extended and overdraft facilities drawn upon if required.

The contractual undiscounted cash flows of Council's Payables and Borrowings are set out in the Liquidity Sensitivity Table below:

	Due within 1 year \$	Due between 1 & 5 years \$	Due after 5 years \$	Total contractual cash flows \$	Carrying values \$
2009					
Payables	134,892	0	0	134,892	134,892
Borrowings	120,360	388,066	762,358	1,270,784	838,013
	<u>255,252</u>	<u>388,066</u>	<u>762,358</u>	<u>1,405,676</u>	<u>972,905</u>
2008					
Payables	258,524	0	0	258,524	258,524
Borrowings	120,360	430,089	840,693	1,391,142	901,648
	<u>378,884</u>	<u>430,089</u>	<u>840,693</u>	<u>1,649,666</u>	<u>1,160,172</u>

SHIRE OF KENT

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2009

33. FINANCIAL RISK MANAGEMENT (Continued)
(c) Borrowings (Continued)

Borrowings are also subject to interest rate risk – the risk that movements in interest rates could adversely affect funding costs. Council manages this risk by borrowing long term and fixing the interest rate to the situation considered the most advantageous at the time of negotiation.

The following tables set out the carrying amount, by maturity, of the financial instruments exposed to interest rate risk:

	<1 year \$	>1<2 years \$	>2<3 years \$	>3<4 years \$	>4<5 years \$	>5 years \$	Total \$	Weighted Average Effective Interest Rate %
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Year Ended 30 June 2009

Borrowings

Fixed Rate								
Debtentures	16,223	0	0	88,952	0	732,838	838,013	6.41%
Weighted Average Effective Interest Rate	7.30%	0.00%	0.00%	5.18%	0.00%	6.54%		

Year Ended 30 June 2008

Borrowings

Fixed Rate								
Debtentures	0	31,324	0	0	108,489	761,835	901,648	6.40%
Weighted Average Effective Interest Rate	0.00%	7.30%	0.00%	0.00%	5.18%	6.54%		

**INDEPENDENT AUDIT REPORT
TO THE ELECTORS OF THE SHIRE OF KENT**

Report on the Financial Report

We have audited the accompanying financial report of the Shire of Kent, which comprises the balance sheet as at 30 June 2009 and the income statement by nature or type, income statement by program, statement of changes in equity, cash flow statement and rate setting statement for the year ended on that date and a summary of significant accounting policies and other explanatory notes.

Council's Responsibility for the Financial Report

Council is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations), the Local Government Act 1995 (as amended) and the Local Government (Financial Management) Regulations 1996 (as amended). This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Council, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of Australian professional ethical pronouncements.

Auditor's Opinion

In our opinion, the financial report of the Shire of Kent is in accordance with the Local Government Act 1995 (as amended) and the Local Government (Financial Management) Regulations 1996 (as amended), including:

- a. giving a true and fair view of the Shire's financial position as at 30 June 2009 and of its performance for the year ended on that date; and
- b. complying with Australian Accounting Standards (including the Australian Accounting Interpretations), the Local Government Act 1995 (as amended) and the Local Government (Financial Management) Regulations 1996 (as amended).

**INDEPENDENT AUDIT REPORT
TO THE ELECTORS OF THE SHIRE OF KENT (continued)**

Statutory Compliance

During the course of the audit we became aware of the following instances where the Council did not comply with the Local Government (Financial Management) Regulations 1996 (as amended).

Monthly Statement of Financial Activity

The Monthly Statement of Financial Activity from July 2008 to March 2009 did not include an explanation of each of the material variances reflected therein as required by Financial Management Regulation 34(2)(b).

Other Matters

In accordance with the Local Government (Audit) Regulations 1996, we also report that:

- a) There are no matters that in our opinion indicate significant adverse trends in the financial position or the financial management practices of the Shire.
- b) There are no matters indicating non-compliance with Part 6 of the Local Government Act 1995 (as amended), the Local Government (Financial Management) Regulations 1996 (as amended) or applicable financial controls of any other written law were noted during the course of our audit.
- c) All necessary information and explanations were obtained by us.
- d) All audit procedures were satisfactorily completed in conducting our audit.

UHY HAINES NORTON
CHARTERED ACCOUNTANTS



GREG GODWIN
PARTNER

Date: 3 November 2009
Perth, WA

14. FORWARD PLANNING BUDGET

1 JULY 2008—30 JUNE 2009

Council's Forward Planning Budget provides an overview of the significant activities that were proposed by Council for the four (4) year period 2008/2009—2011/2012.

Forward Planning commenced or continued during the financial year and an assessment of Council's performance in relation to each principal activity are as follows:

Forward Planning—Plant Replacement

Replacing plant, vehicles and other assets (but excluding land, buildings and major infrastructure).

- ⇒ the timely purchase and replacement of major plant assets in accordance with predetermined acquisition and replacement programmes;
- ⇒ minimising vehicle replacement costs;
- ⇒ optimising the performance of the plant fleet;
- ⇒ maintaining a good safe working environment for Council Staff.

Performance Measures:

An annual assessment of plant and equipment by the Works, Plant and Services Committee:

- ⇒ to be based upon plant costing records and a physical examination of the condition of all items, including general safety;
- ⇒ to take into account plant operating costs and the down-time due to repairs; and
- ⇒ to consider the potential replacement change-over costs.

Item	2008/2009 Proposed Expenditure (Net)	2007/2008 Actual Expenditure (Net)
Plant Purchase Program	323,500	359,158

All purchases were made in accordance with Plant Purchase Program.

Forward Planning – Capital Infrastructure – Land & Buildings

The upgrading and effective utilisation of streetscape and properties under the care, control and management of Council.

Objective:

To improve the amenity of the Shire and to enhance performance with respect to works and services in general.

Performance Measures:

- ⇒ An annual assessment by Council's Building, Health and Town Planning Committee of its capital infrastructure requirements including property capital maintenance.

Funding:

Land and Buildings will be funded from Council's Municipal Fund subject to Grants monies being made available when applicable. Reserve and Loan funds may be used if deemed appropriate.

14. FORWARD PLANNING BUDGET (cont.....)

Proposed Projects—Land & Buildings

- ⇒ Land availability at Pingrup for residential development
- ⇒ Richmond street reserve for Landscape Protection
- ⇒ Ablution block Richmond Street Nyabing
- ⇒ Caravan Park Pingrup
- ⇒ Nyabing—Sale of Bourke Street Units
- ⇒ Continue to investigate land availability for lifestyle blocks around Nyabing and Pingrup

Land & Buildings Program				Table 2
	YEAR ENDED 30 JUNE			
	2008/2009	2009/2010	2010/2011	2011/2012
<i>Land Program</i>				
Townscape	20,000	20,000	24,000	24,000
Total Land	20,000	20,000	24,000	24,000
<i>Buildings Program</i>				
Housing Staff/Community	68,500	66,000	66,000	66,000
Nyabing Hall	4,500	4,500	4,500	9,500
Nyabing Pavilion	16,000	12,000	12,000	12,000
Nyabing Depot	20,000	20,000	20,000	20,000
Nyabing General Store	4,000	4,000	4,000	4,000
Nyabing Caravan Park	500	500	500	500
Nyabing Tennis Club	2,800	3,000	3,000	3,000
Council Chambers	4,950	5,000	4,950	8,300
Administration Centre	26,000	26,000	26,000	20,000
Machinery Shed (Nyabing Depot)	15,000	38,000	15,000	8,500
Pingrup Hall	23,000	8,000	12,000	8,500
(rising damp & disabled toilet)				
Pingrup Pavilion	18,500	12,500	21,000	16,000
Pingrup Caravan Park	23,000	18,000	22,000	22,000
Pingrup Depot	9,000	9,000	9,000	9,000
Pingrup Potters	2,400	2,400	2,400	2,500
Total Buildings	238,150	228,900	222,350	209,800

14. FORWARD PLANNING BUDGET (cont.....)

Forward Planning—Capital Infrastructure—Recreation & Culture

To maintain and enhance lifestyle opportunities for the community.

Objective:

- ⇒ maintain existing facilities (ovals, playing fields, parks and gardens etc.) excluding buildings, (refer Buildings Program), to an appropriate standard.
- ⇒ determine community needs and priorities for future facilities.
- ⇒ determine (with the community) minimum viability criteria for retaining recreational and cultural facilities and funding activities.
- ⇒ ensure sufficient resources are allocated to these functions.
- ⇒ determine and deliver optimum levels of service.

Performance Measures:

- ⇒ Assessment of user accolades and or complaints.
- ⇒ Revenue generation.

Funding:

Recreation and Cultural facilities will be funded from Council's Municipal Fund subject to Grant monies being made available when applicable. Reserve Funds and/or Loan funds may be used if deemed appropriate.

Proposed Project

- ⇒ Future playground equipment upgrade at the Nyabing and Pingrup Pavilions
- ⇒ Tourism centre Richmond Street Nyabing

Recreation & Culture Program				Table 3
	YEAR ENDED 30 JUNE			
	2008/2009	2009/2010	2010/2011	2011/2012
Recreation Grounds	260,000	260,000	265,000	265,000
Libraries	25,500	26,000	26,500	27,000
Parks, Gardens & Reserves	76,000	76,000	80,000	85,000
Playground Equipment	44,200	10,000	5,000	5,000
Other Culture	42,000	42,500	43,000	44,000
TV Re-Broadcasting	15,500	18,500	16,000	18,000
Total Land	463,200	433,000	435,500	444,000

14. FORWARD PLANNING BUDGET (conf.....)

Forward Planning—Road Asset Management

The management of the road infrastructure system including the road pavement, footpaths, drainage, street lighting, verge maintenance, signs and street furniture.

Objective:

To maintain and improve the quality and useful economic life of the road infrastructure system in the most efficient manner possible.

Performance Measures:

- ⇒ An annual evaluation and/or inspection by staff to ascertain road conditions.
- ⇒ Using ROMAN as a principal planning tool, to bridge the gap between present expenditure levels and those necessary to achieve the desired level.

Note:

The Shire uses ROMAN, a computer modelling system widely recognised in Western Australia, for measuring road asset condition, planning preservation requirements and maximising the economic useful life of roads and associated assets. In conjunction with regular inspection and condition reporting, ROMAN assists the council to determine the desired asset condition to be established or maintained and the optimum works/expenditure scheduling necessary to achieve or maintain that standard.

Funding:

This activity is funded from several sources. Main Roads WA provides some funding through the Regional Road Program and the untied Direct Road Grant. Federal Funding for specific road projects is currently provided under the Roads to Recovery Austlink Program. Untied funding is also received as the road grant component of the Local Government Grants Commission allocation. In 2006 Council received a once off special grant from the Federal Government of \$280,610, these funds will be fully spent in 2008/09.

An extension to these funds may be allocated in future years in the form of Black Spot and CALM projects.

Year to year income/expenditure variances are due to Regional Road allocation variations determined in accordance with Regional Road Funding priorities, and reduced projected Roads to Recovery Funding in accordance with the Federal Government's new funding formula.

All other costs are met from general purpose income.

Footpaths – Nyabing and Pingrup

Town drainage



14. FORWARD PLANNING BUDGET (conf.....)

Road Asset Management Program				Table 4
	YEAR ENDED 30 JUNE			
	2008/2009	2009/2010	2010/2011	2011/2012
<i>Grant Funded Projects</i>				
Regional Roads Program	207,500	234,000	240,000	120,000
Roads to Recovery AusLink Program	280,610	280,610	280,610	280,610
AusLink (R2R) Special Funding	58,000			
Black Spot Funding	10,000			
Total Grant Funded Projects	\$556,110	\$514,610	\$520,610	\$400,610
<i>Road Works from Council's own Resources</i>				
Own Resources Re-sheeting	118,500	144,000	208,500	152,000
Own Resources Seals/Reseals	25,500	105,000	157,000	110,000
Road Maintenance (ex depn)	956,000	850,000	870,000	900,000
Total Works from Council's own Resources	\$1,100,000	\$1,099,000	\$1,235,500	\$1,162,000
TOTAL ROAD WORKS	\$1,656,110	\$1,613,610	\$1,765,110	\$1,562,610
<i>Grant Funding</i>				
Regional Road Grants	139,000	156,000	160,000	80,000
Roads to Recovery-AusLink—Program 2 & 3	280,610	280,610	280,610	280,610
AusLink Special Funds	58,000	0	0	0
Direct Grants	90,345	85,500	86,000	86,500
Grants Commission	543,410	550,000	555,000	560,000
Black Spot Funding	10,000	0	0	0
Previous Year C/Fwd	0	0	0	0
Total Grant Funding	\$1,121,365	\$1,072,110	\$1,081,610	\$1,007,110
MUNICIPAL/RESERVE FUNDS	\$534,745	\$541,500	\$683,500	\$555,500

14. FORWARD PLANNING BUDGET (cont.....)

Forward Planning—Economic Services

Provision of services to the community such as Landcare Co-ordination and Water Supply.

Objective:

Landcare

- ⇒ Provide ongoing funding for the Landcare Co-ordinator.
- ⇒ Attract funding to investigate and combat salinity problems in town sites – e.g. Rural Towns Liquid Assets Program.
- ⇒ Develop and implement a gravel pit rehabilitation program.

Water Supply

- ⇒ Provide new water tanks or standpipes for farm water supplies where funding permits.
- ⇒ Maintain existing water tanks and standpipes to an acceptable standard.
- ⇒ Investigate alternative water sources to help drought proof the Shire.
- ⇒ Seek funding for water saving alternatives.

Performance Measures

- ⇒ Assessment of the level of funding achieved.
- ⇒ Achieving the objectives.
- ⇒ Customer survey

Funding:

Economic Service activities will be funded from Council's Municipal Fund subject to Grant monies being made available when applicable. Reserve Funds and/or Loan funds may be used if deemed appropriate.

Proposed Projects:

- Water Tank at Neves Dam site
- Water tanks at Hall and Fed shed Pingrup
- Water catchment and holding tank at recreation centre Nyabing
- Water catchment and sump Pingrup utilising CBH
- Rainwater tanks for all Council buildings and houses
- 17,000m³ Holding Dam Nyabing



14. FORWARD PLANNING BUDGET (cont.....)

Forward Planning—Waste Disposal and Sewerage

Upgrade existing waste disposal management and waste water systems.

Objectives:

- ⇒ Establish effective waste disposal systems in Nyabing and Pingrup.
- ⇒ Investigate transfer station for Pingrup Refuse Site.
- ⇒ Develop an acceptable town sewerage scheme, and upgrade program over five years in conjunction with the State Government's Small Town Sewerage Scheme.

Performance Measures:

- ⇒ Achieving objectives on time and within budget.
- ⇒ Number of valid complaints received regarding services provided.

Proposed Projects

- ⇒ New rubbish site at Nyabing
- ⇒ Transfer station at Pingrup
- ⇒ Upgrade sewerage system
- ⇒ Look at future combined rubbish sites with neighbouring Councils
- ⇒ Establish Recycling services in Nyabing and Pingrup and expand to the whole region

Waste Disposal and Sewerage Program				Table 7
	YEAR ENDED 30 JUNE			
	2008/2009	2009/2010	2010/2011	2011/2012
<i>Estimated Expenditure</i>				
Collection & Tip Maintenance	35,000	35,000	40,000	40,000
New rubbish site—Nyabing, Build Transfer Station in Pingrup	20,000	10,000	10,000	20,000
Recycling Scheme	13,500	13,500	14,500	14,500
Sewerage Schemes—maintenance and upgrade	110,000	50,000	50,000	50,000
TOTAL	\$178,500	\$108,500	\$114,500	\$124,500
<i>Estimated Funding</i>				
Reserve Funds	120,000	10,000	10,000	20,000
Municipal Funds	17,500	54,500	58,500	56,500
Collection Fees	41,000	44,000	46,000	48,000
TOTAL	\$178,500	\$108,500	\$114,500	\$124,500